



HERITAGE

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Dr. John Kager, Pastor

Mrs. Melissa Kager, Administrator

Ms. Marlene H. Dortch, Secretary

Federal Communications Commission

445 Twelfth Street, SW

Washington, DC 20554

December 13, 2005

Re: Amendment of Parts 1, 21, 73, 74 and 101 of the Commission's Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Education and other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands, WT Docket No. 03-66

Ex Parte Presentation

Dear Ms. Dortch:

I am writing on behalf of Clarendon Foundation, licensee of 20 EBS Licenses throughout the United States. I am concerned that the Federal Communications Commission may be withdrawing its support of application of the Secondary Markets Rules to EBS spectrum. It appears that instead of permitting EBS licensees to determine for themselves what the best lease terms may be, the Commission is going to impose a 15 year maximum term, with no automatic renewals. By doing this, the Commission is indicating to the EBS industry that EBS licensees are not able to make the business decisions that they believe are the most appropriate to meet a licensee's individual needs and educational mission. We know how to best utilize our spectrum, and craft our leases with commercial operators to do just that. As long as we continue to meet the educational needs of our students and remain in compliance with the EBS rules, we do not believe that a regulatory restriction on lease terms is necessary.

As an EBS licensee, we rely upon the revenues provided to us under our EBS lease to fund our educational activities and programs. The fees we are paid under that lease are a steady source of income that we rely upon when we prepare our yearly budget and make our future financial plans. We support long-term lease relationships and understand that without such long-term leasing arrangements, a commercial operator will be much less likely to invest capital and take the risk of construction and operation of a wireless system. Just as we rely on that long-term relationship to provide us with stability and predictability for our planning purposes, we understand that commercial operators need the same security and predictability, including knowing what spectrum is available to them, in making their plans and investing resources. We realize that commercial operators will certainly reduce their royalty payments for the use of excess airtime, if the value of the lease is diminished by regulatory restrictions. This is the bottom line, and it would, of course, result in a loss of revenue to support nonprofit program activities.

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Since the Commission moved earlier this year from its former EBS leasing rules to those adopted in the *Secondary Markets* proceeding (thereby eliminating the former fifteen year maximum EBS excess capacity lease term), we have negotiated and entered into a new *de facto* transfer lease that extends beyond fifteen years. During the course of our negotiations, we were presented with the option to lease for only fifteen years. We believe that by leasing for longer than fifteen years, we have substantially advanced our educational mission. Our leasing agreement assures us access to sufficient spectrum to meet our anticipated needs during this time, while the larger financial payments we realized by entering into a long-term lease will reap significant educational benefits for the students and faculty who will receive the Advanced Wireless Services provided under the EBS airtime lease. Thus, for us and for our lessee, the Commission's decision to permit leasing for greater than fifteen years yielded a "win-win" opportunity.

We, thus, must oppose any effort to limit EBS lease terms to 15 years. If the Commission reinstates any limit on the maximum term of Educational Broadcast Service ("EBS") leases in response to petitions for reconsideration pending in the above-referenced proceeding, it should establish thirty years as the maximum lease term. However, we also believe that the FCC should continue to apply its Secondary Markets rules to EBS leases, and permit leases to be renewed concurrently with license expiration dates.

Pursuant to Section 1.1206(b)(2) of the Commission's Rules, this presentation is being filed electronically. Should any questions arise concerning this matter, kindly contact the undersigned.

Sincerely,

William S. Kager,
Administrator